

18 January 1986

NOTE FOR: DDA

SUBJECT: Understanding the DDA Budget, Etc.

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1. So far, I've talked to Donnelly, Elkins, Mahoney, and [] They understand the "synopsis exercise" -- i.e., how did your office actually spend its resources in FY 1985, and how does it intend to spend them in FY 1986 -- and believe it is a good idea.

2. I have emphasized that this will likely be an iterative process. The information -- especially after it's been massaged from a corporate perspective -- will probably give rise to additional questions and perhaps different perspectives. Everybody realizes that the object is to help you understand the DDA by understanding how it spends its resources. And, thus informed, you will be better armed to make our case to the outside world.

3. I also tried out the idea of a "what if" exercise. What if you had to live with 10 percent fewer resources? What would you do? Some are already thinking in those terms. It would be useful -- both psychologically (i.e., we are being proactive rather than reactive, and hence in greater control of our fate) and substantively (by giving you and us insight on those things that are simply less important) -- to do this.

4. I suggest that you ask for such a paper from each Office. And that the papers be circulated and discussed at the late February conference.

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5. On the process question, I have only talked with [] who agrees that last year's budget process -- the only one I am familiar with -- was not much good. His complaint: little understanding or discussion, little corporate view. His prescription: that the Office Directors go away and work the problem. Makes sense.

6. Which raises the cultural factor: As far as I can tell, there is relatively little DDA identity -- certainly not among your Office Directors. Which means, I think, that one way or another, we are creating a new identity -- even if it's a faceless one.

7. But, what is the DDA's cultural identity? What should it be? Beats me ... but I am persuaded that these are very important questions and are the key to your stewardship of the Directorate.

8. Edgar Schein of the Sloan School at MIT is tops in the corporate culture field. We have been in touch with him regarding doing some consulting (as well as some training for us). He asks to deal directly with the top person effecting cultural change. I'll get you a copy of his recent book and recommend that you have a session with him and decide on whether to use him as a consultant. This is likely to be worth your time. (Schein gets booked-up fast, so if you want to see him in two or three months, we probably have to get on his schedule soon.)

Some gratuitous stuff, but I hope of some value ...

-- The fact that the DDA, and half of his Office Directors, were not raised in the DA, is a blow to the old-timers sense of self and organizational esteem. But that fact is also an opportunity, a pre-condition to change, by giving you people not emotionally wedded to past ways, and by making it clear to all that something was not right with the old way of doing business.

-- Ed Proctor told me that the biggest mistake he ever made was moving too slowly to make change in the [redacted] People were waiting for ... even desiring change. But, being an outsider, he was reluctant to move fast ... so, as he tells it, he lost the opportunity. This was, of course, by way of advice to me as the new Director of Training. I don't entirely agree that you only have a six-month window of opportunity, but I have been mindful of his warning: its easier to make change at the beginning than later on when you're inevitably picking up the pieces of your own mistakes.

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-- The external world is going to be difficult. We are at the end of the greatest period of growth in the Agency's history. Things are going to get tougher. But tough times are also an opportunity. Anyone can manage by throwing money at problems. Now its going to take skill, and attention, and hard work. And the kudos won't be as readily available. But you can only play the cards that are dealt to you.

-- There is a difference between managing and leading. Fitz loved to get his hands dirty inspecting the pipes. We had numerous conversations about flight schedules and conferences. But he never talked to me about what I had in mind for OTE or what he wanted me to do. The old-timers in OTE felt that he was not interested in training. Maybe so, but I think it was more a fundamental predilection.

-- How does one lead the DA? I don't know, but certainly differently that the DI or the DO. In those places, there is a core understanding (although McMahon once told me that the DI was far more diffuse in its personality that the DO) of what counts and how things should be done. The DA does not have that kind of core. Bill Donnelly can tell you how much different OIT is from Commo. Security is in its own world and so is OTE, Finance, etc. These differences are inevitable, but probably not entirely immutable.

-- To exert leadership, you will need to know what are the circumstances in each of your fiefdoms and get an understanding with your Office Directors on what needs to be done with what priority and sense of urgency. For example, you might want to commit to paper the three or four things you want each Office Director to emphasize or work on in the coming year. I guarantee that if you did that, the word will circulate on Kerr's priorities. A corporate style will, I think, develop naturally out of such a process and will reflect those styles or habits of mind that you inevitably imprint cross the Directorate.

-- A conceptual framework for the Directorate might look like:

-- Substance: What is the DA doing, how does it fit the Agency's needs, and how does the DA know that it does?

-- Communication: The means by which we know the substance is on track.

-- People: Do we have the people that fit our needs, and how do we make those we have more productive and professional?

-- Resources: Do they reflect our customers' priorities? how do we get what we need?.



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